

UNITED STATES INTERNATIONAL TRADE COMMISSION

FOOTWEAR FOR WOMEN AND MISSES:  
WEISS-LAWRENCE, INC., DOVER, N. H.

Report to the President  
on Investigation No. TEA-F-68  
Under Section 301(c)(1) of the Trade Expansion Act of 1962



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Washington, D. C.  
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**UNITED STATES INTERNATIONAL TRADE COMMISSION**

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C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Finding of the Commission-----	3
Views of Chairman Bedell, Vice Chairman Parker, and Commissioner Moore-----	4
Views of Commissioner Minchew-----	7
Dissenting view of Commissioner Leonard-----	10
Information obtained in the investigation:	
Description of articles under investigation-----	A-1
U.S. tariff treatment:	
Applicable TSUS items-----	A-4
Rates of duty-----	A-5
U.S. consumption, production, and imports-----	A-8
Prices-----	A-11
U.S. and foreign wage rates-----	A-13
Data relating to Weiss-Lawrence, Inc.:	
Corporate structure, plant, and equipment-----	***
Product and prices-----	***
Production and sales-----	***
Material costs-----	***
Employment and wages-----	***
Distribution-----	***
Comments of customers-----	***
Comments of a company official-----	***
Comments of former workers of Weiss-Lawrence, Inc-----	***
Profit-and-loss experience-----	***
Appendix A. Statistical tables-----	A-42
Appendix B. Newspaper articles relating to Weiss-Lawrence, Inc-----	A-52
Appendix C. Arrangements submitted for confirmation by the bankruptcy court-----	***

Figures

1. U.S. consumption, production, and imports of women's nonrubber footwear, 1967-73-----	A-10
2. Weiss-Lawrence, Inc.: Production of footwear, fiscal years ended Aug. 31, 1967-74-----	***

## CONTENTS

## Appendix Tables

	<u>Page</u>
1. U.S. rates of duty applicable to women's and misses' footwear of the types provided for in specified TSUS items, July 1, 1934, and GATT concessions to Jan. 1, 1972-----	A-43
2. Women's and misses' leather footwear made by the turn or turned process (item 700.20): U.S. rates of duty and imports for consumption, specified years 1939 to 1974--	A-44
3. Women's or misses' leather footwear made principally by the cement process (items 700.43 and 700.45): U.S. rates of duty and imports for consumption, specified years 1939 to 1974-----	A-45
4. Women's and misses' footwear with supported-vinyl uppers (TSUS item 700.55): U.S. rates of duty and imports for consumption, 1966-74-----	A-46
5. Nonrubber footwear for women and misses: U.S. imports, by selected TSUS items, 1968-74-----	A-47
6. Weiss-Lawrence, Inc.: Comparative statements of profit-and-loss, accounting years ended August 31, 1970-74-----	***
7. Weiss-Lawrence, Inc.: Ratios of financial data for the years ended August 31, 1970-74-----	***
8. Weiss-Lawrence, Inc.: Comparative statements of financial condition, accounting years ended August 31, 1970-74-----	***
9. Weiss-Lawrence, Inc.: Comparative statements of retained earnings, accounting years ended August 31, 1970-74-----	***

Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that would result in the disclosure of the operations of an individual concern. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

U.S. International Trade Commission,  
April 2, 1975.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (TEA) (19 U.S.C. 1901), the U.S. International Trade Commission herein reports the results of investigation No. TEA-F-68 made under section 301(c)(1) of the act to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for women, misses, and children (of the types provided for in items 700.45 and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by Weiss-Lawrence, Inc., Dover, N.H., are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

The investigation was instituted on February 26, 1975, on the basis of a petition filed on behalf of Weiss-Lawrence, Inc., Dover, N.H., for a determination of the firm's eligibility to apply for adjustment assistance. The petition was received on February 21, 1975.

Notice of the investigation was published in the Federal Register (40 F.R. 10241) on March 5, 1975. No public hearing was requested, and none was held.

The information in this report was obtained principally from the officials and customers of Weiss-Lawrence, Inc., official Government statistics, and the Commission's files.

This is the second investigation conducted by the Commission with respect to Weiss-Lawrence, Inc. An investigation (TEA-W-246) 1/ was instituted on September 13, 1974, on the basis of a petition for adjustment assistance, received on September 9, 1974, that was filed on behalf of the former workers of Weiss-Lawrence, Inc., Dover, N.H. In that investigation the Commission (Commissioners Leonard and Ablondi dissenting) made an affirmative determination. On December 10, 1974, the Department of Labor certified that the workers of Weiss-Lawrence, Inc., that had been unemployed or underemployed since June 2, 1973, were eligible to apply for adjustment assistance benefits.

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1/ Footwear for Women and Misses: Former Workers of Weiss-Lawrence, Inc., Dover; N.H., Report to the President on Investigation No. TEA-W-246 . . . , TC Publication 699, November 1974.

### Finding of the Commission

On the basis of its investigation, the Commission finds (Commissioners Leonard and Ablondi dissenting) that articles like or directly competitive with footwear for women, misses, and children (of the types provided for in items 700.45 and 700.55 of the Tariff Schedules of the United States) produced by Weiss-Lawrence, Inc., Dover, N.H., are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause serious injury to such firm.

Views of Chairman Bedell, Vice Chairman Parker, and  
Commissioner Moore

This investigation relates to a petition filed on behalf of Weiss-Lawrence, Inc., Dover, N.H., under section 301 of the Trade Expansion Act of 1962 (TEA) for a determination of its eligibility to apply for adjustment assistance. Weiss-Lawrence, Inc., which produced women's and misses' casual shoes, terminated production in August 1974. Shoes produced by the firm were constructed by the cement process, mostly with uppers of leather; they retailed in a range from about \$8 to \$16 a pair.

As we have observed in previous cases, the Commission, in order to make an affirmative determination under section 301(c)(1) of the TEA must find that the following four criteria are met:

- (1) Articles like or directly competitive with those produced by the petitioning firm are being imported in increased quantities;
- (2) The increased imports are a result in major part of concessions granted under trade agreements;
- (3) The firm is being seriously injured or threatened with serious injury; and,
- (4) The increased imports resulting from trade-agreement concessions are the major factor in causing or threatening to cause the serious injury.

We find that each of these requirements has been met in the instant case; we have therefore made an affirmative determination.

In November 1974, the Commission made an affirmative determination with respect to a petition filed on behalf of the workers who had been employed by the petitioning firm in the instant investigation. 1/ The facts with respect to the first two criteria relating to concession-generated increased imports cited above are essentially the same in this case as in the earlier worker investigation. This evidence and our conclusions are contained in our statement of reasons in the previous investigation. 2/

The firm is seriously injured

After making small profits in fiscal 1971 and 1972, Weiss-Lawrence sustained a substantial loss in 1973, and an even larger loss in 1974. The firm filed a petition under Chapter XI for bankruptcy in December 1973. The bankruptcy plan was approved by creditors and confirmed by the court on March 13, 1974. In August 1974 the firm laid-off all of its workers and terminated its operations. The record, in our judgment, clearly demonstrates that the firm is seriously injured.

Increased imports are the major factor causing serious injury to the firm

The increase in concession-generated imports of footwear like or directly competitive with that produced by Weiss-Lawrence caused a

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1/ Footwear for Women and Misses: Former Workers of Weiss-Lawrence, Inc., Dover, N.H., Report to the President on Investigation No. TEA-W-246 . . . , TC Publication 699, November 1974. Chairman Bedell, Vice Chairman Parker, and Commissioners Moore and Minchew found in the affirmative. Commissioners Leonard and Ablondi found in the negative.

2/ Ibid, pp. 3-4.

marked decline in the firm's shipments in recent years, culminating in the decision to cease operations in August 1974. The value of footwear produced by Weiss-Lawrence dropped from \* \* \* in fiscal 1970 to \* \* \* in fiscal 1974. In addition, the firm's principal customers, accounting for about three-fourths of its total sales, advised the Commission that they increasingly turned to foreign sources for their footwear requirements because of the price advantage offered by imported shoes.

#### Conclusion

We conclude that, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with those produced by Weiss-Lawrence, Inc., are being imported into the United States in such increased quantities as to cause serious injury to such firm; therefore, such firm has met the statutory requirements for eligibility to apply for adjustment assistance as authorized by the Trade Expansion Act of 1962.

## View of Commissioner Minchew

In response to the petition filed on behalf of Weiss-Lawrence, Inc., Dover, N.H., for a determination of its eligibility to apply for adjustment assistance under sections 301(c)(1) and (3) of the Trade Expansion Act of 1962 (TEA), I have concluded that the statutory requirements set forth in sections 301(c)(1) and (3) of that Act are met and, accordingly, I have made an affirmative determination.

Sections 301(c)(1) and (3) of the TEA state that--

(1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the United States International Trade Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article produced by a firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the United States International Trade Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a level of reasonable profit, and unemployment or underemployment in the firm.

(3) For purposes of paragraphs (1) . . . , increased imports shall be considered to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the United States International Trade Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.

The relevant facts are as follows:

- (1) A petition was received by the Commission on February 21, 1975, on behalf of the firm.
- (2) The Commission instituted an investigation on February 26, 1975.

- (3) The investigation indicated that the imported articles (i.e., women's and misses' casual leather footwear) most nearly like those produced by the firm are entered under TSUS item 700.45, and imports of these articles increased from 20 million pairs in 1968 to 69 million pairs in 1973.
- (4) The investigation established that a five-stage trade-agreement tariff reduction for TSUS item 700.45 took place between 1968 and 1972 (i.e., the concessions negotiated in the Kennedy Round of multilateral tariff bargaining), reducing the tariff applicable to imports entered under TSUS item 700.45 from a rate of 20 percent ad valorem to a rate of 10 percent ad valorem over the 5-year period.
- (5) The investigation showed that in the 5 years preceding the initial concession in 1968, imports entered under TSUS item 700.45 increased 26 million pairs over the quantity entered in 1962, and in the 5 years following the initial concession, imports increased by 49 million pairs over the quantity entered in 1968.
- (6) The investigation showed that in the 5 years preceding the initial concession in 1968, domestic shipments of all women's and misses' nonrubber footwear decreased 39 million pairs from the quantity entered in 1962, and in the 5 years following the initial concession in 1968, such shipments decreased by 132 million pairs.
- (7) The investigation indicated that while Wiess-Lawrence's management and styling may not have been perfect, customers turned to imports rather than other domestically made footwear to replace articles formerly bought from the petitioning firm.
- (8) The investigation established that the petitioning firm filed a bankruptcy petition in December 1973 and ceased operations completely in August 1974, resulting in the unemployment of all workers.

In my first case at the Commission, which was the workers' petition from the employees of the petitioner in this instance, I found affirmatively, using my criteria of "straightforward" and "inferential" facts. The same reasoning used in the workers' case (TEA-W-246, Former Workers of Weiss-Lawrence, Inc., Dover, N.H.) is used in the firm case to establish that all parts of the statute are met and consequently justify an affirmative determination for the petitioning firm.

It is clear in my judgment that imports of footwear like or directly competitive with that produced by the petitioning firm are being imported in increased quantities. The "as a result in major part" phrase is met in my opinion by the apparent causal relationship between the fact of the concession followed by sharp decreases in domestic shipments of the type produced by the petitioning firm. The "that increased imports have been the major factor" phrase is established sufficiently for me by the fact that when customers turned to alternative suppliers, they more frequently turned to imported footwear, rather than to other domestic firms whose styling and management might have been better than that of Weiss-Lawrence. All parts of the statute being met by either "straightforward" or "inferential" facts, I, therefore, decide this case in the affirmative.

Dissenting View of Commissioner Leonard 1/

My determination in the instant case is negative because one of the statutory criteria has not been met, i.e., that the increase in imports of footwear for women, misses, and children like or directly competitive with that produced by Weiss-Lawrence, Inc., Dover, N.H., is the result in major part of concessions granted under trade agreements. My reasoning in support of this determination is set forth in a statement of my views in an earlier Commission investigation under the Trade Expansion Act. 2/

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1/ Commissioner Ablondi concurs in the result.

2/ Nonrubber Footwear: Report to the President on Investigation  
No. TEA-I-18 . . ., TC Publication 359, 1971, pp. 31-47.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

The output of Weiss-Lawrence, Inc., of Dover, N.H., prior to cessation of operations on August 23, 1974, consisted of women's and misses' 1/ casual shoes. (At one time the firm produced children's shoes, but such production was terminated in 1964.) The great bulk of these shoes had uppers of leather; a very small part had uppers of manmade materials or a combination of leather and manmade material. The soles were made of crepe (rubber) or composition material; the heels, of crepe or plastics. The shoes were constructed by the cement process, in which the outsole is attached to the upper by an adhesive without sewing. The retail price range of Weiss-Lawrence shoes gradually increased during 1970-74 from \$8-\$12 per pair to \$12-\$16 per pair.

In general, the principal features of women's and misses' shoes that determine the occasion or activity for which a particular pair is suitable--and thus the trade designations such as "casual" or "dress"--are the cut of the uppers, the style and height of the heels, the material used for the uppers, the kind of ornamentation, and the material and construction of the soles. In commercial usage, however, these descriptive terms for footwear may have various meanings. Some of them are specifically defined for tariff purposes in the headnotes (including the statistical headnotes) to part 1, subpart A of schedule 7 of the Tariff Schedules of the United States Annotated (TSUSA).

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1/ In this report, as in the TSUS, the terms "women's" and "misses'" are used to differentiate size categories of footwear, not age of wearer, as follows: "Women's" refers to U.S. women's sizes 4 and larger, and "misses'" refers to U.S. misses' sizes 12-1/2 and larger but not as large as U.S. women's size 4.

The distinction between women's and misses' casual and dress shoes has diminished. Women today wear shoes suitable to their lifestyles, and footwear has become the most important fashion accessory. As changes have occurred in dress lengths and as trousers and other casual attire have become increasingly acceptable for almost every occasion, footwear styles have changed accordingly. In the 1970's, footwear styles with 1-inch soles and even higher platforms became popular. A variety of materials--crepe rubber, "marshmallow" (pliable synthetic), leather combinations, and various plastics--were used to make soles, concealed platforms, and wedges. Some bottom assemblies were even colored, painted, or sculptured. During 1970-72, such platform styles dominated most women's and misses' footwear. Although platforms became less extreme in 1973 and that trend continued into 1974, bottoms continued to be a key interest in shoe design. Women's and misses' footwear for casual wear includes certain sandals, espadrilles, indoor-outdoor slippers, clogs, oxfords, desert boots, moccasins, and sneakers.

It is estimated that about 50 percent of the women's and misses' non-rubber shoes produced in the United States in 1973 had leather uppers, compared with nearly 70 percent in 1970. The American Footwear Industries Association (AFIA) indicates that, owing to the recent shortage of hides and the consequent increases in prices of leather, prices of women's and misses' leather footwear have risen steadily. The president of the AFIA has further indicated that, as the prices of leather footwear increased, shoes made from manmade materials--polyurethane, polymerics, and nylon velvets--gained a larger percentage of the U.S. market.

Footwear of manmade materials lends itself not only to the multihued new platform styles favored by young people, but also to the more conservative styles. The following AFIA data illustrate the changes in the shares of the total U.S. nonrubber footwear market supplied by leather and by manmade materials.

Percentages of total U.S. output of nonrubber footwear accounted for by leather and by manmade materials, specified years 1950 to 1975

Year	Leather	Manmade materials
1950-----	85	15
1960-----	76	24
1972-----	60	40
1973-----	54	46
1975 <u>1</u> /-----	50	50

1/ Estimated.

Source: Compiled from data supplied by the American Footwear Industries Association.

Industry sources report, however, that, owing to recent and possibly worsening shortages of petrochemically derived materials, a reversal is possible in the trend indicated above.

## U.S. Tariff Treatment

Applicable TSUS items

About 95 percent of the footwear produced by Weiss-Lawrence, if imported into the United States, would be dutiable under TSUS item 700.45. This item provides for imported leather footwear having a foreign (export) value of over \$2.50 a pair. Such imports--which account for most of the footwear with leather uppers constructed by the cement process--consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, a substantial part of the imports under this item in recent years have consisted of women's inexpensive sandals for both casual and dress wear. The remainder have probably consisted chiefly of women's and misses' cement-process casual and dress shoes of moderate price (i.e., in the retail range of \$8 to \$20 a pair).

Women's and misses' imported footwear with supported-vinyl uppers--the type of footwear which accounted for about 5 percent of annual output by Weiss-Lawrence, Inc.--dutiable under TSUS item 700.55, has in recent years consisted predominantly of two groups. One group consisted of street shoes of sturdy construction, produced in a single width for each particular length, for sale at self-service counters in variety stores, discount stores, and department-store basements, and the other, of folding slippers, sandals, and other inexpensive footwear. It is believed that before 1970 a negligible portion of the imports of women's and misses' casual and dress shoes admitted under item 700.55 retailed (like the Weiss-Lawrence shoes) at about \$10 a pair and that in 1971-73 less than 10 percent did so.

Other TSUS items under which women's and misses' casual footwear like or directly competitive with that produced by Weiss-Lawrence may be imported are items 700.20 and 700.43. Footwear entered under item 700.20--with leather uppers and constructed by the turn process--does not differ significantly in appearance from footwear entered under items 700.45 and 700.55. Imports of turned footwear under item 700.20 have been relatively small. Footwear entered under item 700.43--which provides for leather footwear having a foreign (export) value of \$2.50 or less--has essentially the same range of styles and types as that entered under items 700.45 and 700.55. A small quantity of footwear produced by Weiss-Lawrence in 1970-71 would have been dutiable under item 700.43 if imported into the United States.

#### Rates of duty

In the Tariff Act of 1930, women's and misses' leather footwear of cement-process construction was originally dutiable under paragraph 1530(e) at 20 percent ad valorem. Such footwear is provided for in the TSUS, which became effective on August 31, 1963, under items 700.43 and 700.45. The rate of duty was reduced for the first time effective January 1, 1968, pursuant to concessions granted during the sixth (Kennedy) round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). The current rate for item 700.43 is 15 percent and that for item 700.45 is 10 percent.

Prior to the Kennedy Round, the rate of duty on leather turn or turned footwear (now provided for under TSUS item 700.20) was first

reduced on January 1, 1932, from 20 percent ad valorem to 10 percent, pursuant to section 336 of the Tariff Act of 1930. The 10-percent rate, which was bound against increase in a concession granted to Switzerland, effective February 15, 1936, was reduced to 5 percent pursuant to a concession, effective May 30, 1950, granted under the GATT. The current rate for item 700.20 is 2.5 percent.

Supported vinyl was not used for uppers until the late 1940's or early 1950's. Prior to the effective date of the TSUS, imports of women's and misses' supported-vinyl-upper footwear, which were dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 20 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/
- (2) Under paragraph 1537(b) as articles in chief value of rubber, at the trade-agreement rate of 12.5 percent ad valorem where the soles were of india rubber and constituted the chief value of the footwear in question.
- (3) Under paragraph 1539(b) at the reduced rate of 21 cents per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

In the TSUS a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. 2/ The current rate on footwear with supported-vinyl uppers

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1/ The principal kinds of footwear with supported-vinyl uppers now being imported (i.e., those with soles of vinyl or other plastics) would have been dutiable by virtue of the similitude provision under par. 1530(e) at a rate of 20 percent ad valorem.

2/ The col. 2 rate of duty for item 700.55 is 35 percent.

is 6 percent ad valorem, reflecting the final stage, effective January 1, 1972, of a five-stage concession granted in the Kennedy Round.

Table 1 in the appendix shows the reductions in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the types now dutiable under items 700.20, 700.43, 700.45, and 700.55. Tables 2 through 5 show U.S. imports of women's and misses' shoes admitted under the TSUS items mentioned above and the applicable rates of duty.

## U.S. Consumption, Production, and Imports

During the period 1965-74, apparent annual U.S. consumption of women's and misses' nonrubber footwear (including dress and casual) rose from an estimated 386 million pairs in 1965 to a peak of 455 million pairs in 1968 and then declined to 355 million pairs in 1974. Annual U.S. production of such footwear declined from 319 million pairs in 1965 to 170 million pairs in 1974. Annual U.S. imports almost tripled during this period, and their share of the market increased from 17 percent to 52 percent, as shown in the table and figure on the following pages.

Italy and Spain have been the principal suppliers of women's and misses' leather footwear; the Republic of China (Taiwan), the principal supplier of women's and misses' vinyl footwear.

Nonrubber footwear for women and misses: U.S. production, imports for consumption, and apparent consumption, 1965-74

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	271	139	410	34
1970-----	260	165	425	39
1971-----	237	180	417	43
1972-----	223	198	421	47
1973-----	190	212	402	53
1974-----	170	185	355	52

1/ Production represents the output of women's and misses' footwear as reported by the U.S. Bureau of the Census, plus shipments to the U.S. mainland from Puerto Rico.

2/ Partly estimated from the official statistics for footwear of the kinds described in pt. 1A of schedule 7 of the TSUSA except imports described in items 700.32, 700.51, 700.52, 700.53, and 700.60 and except zoris (very inexpensive thonged sandals of rubber or plastics), dutiable under item 700.55.

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1974 amounted to about 1 million pairs.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Fig. 1.--U.S. consumption, production, and imports of women's nonrubber footwear, 1967-74.

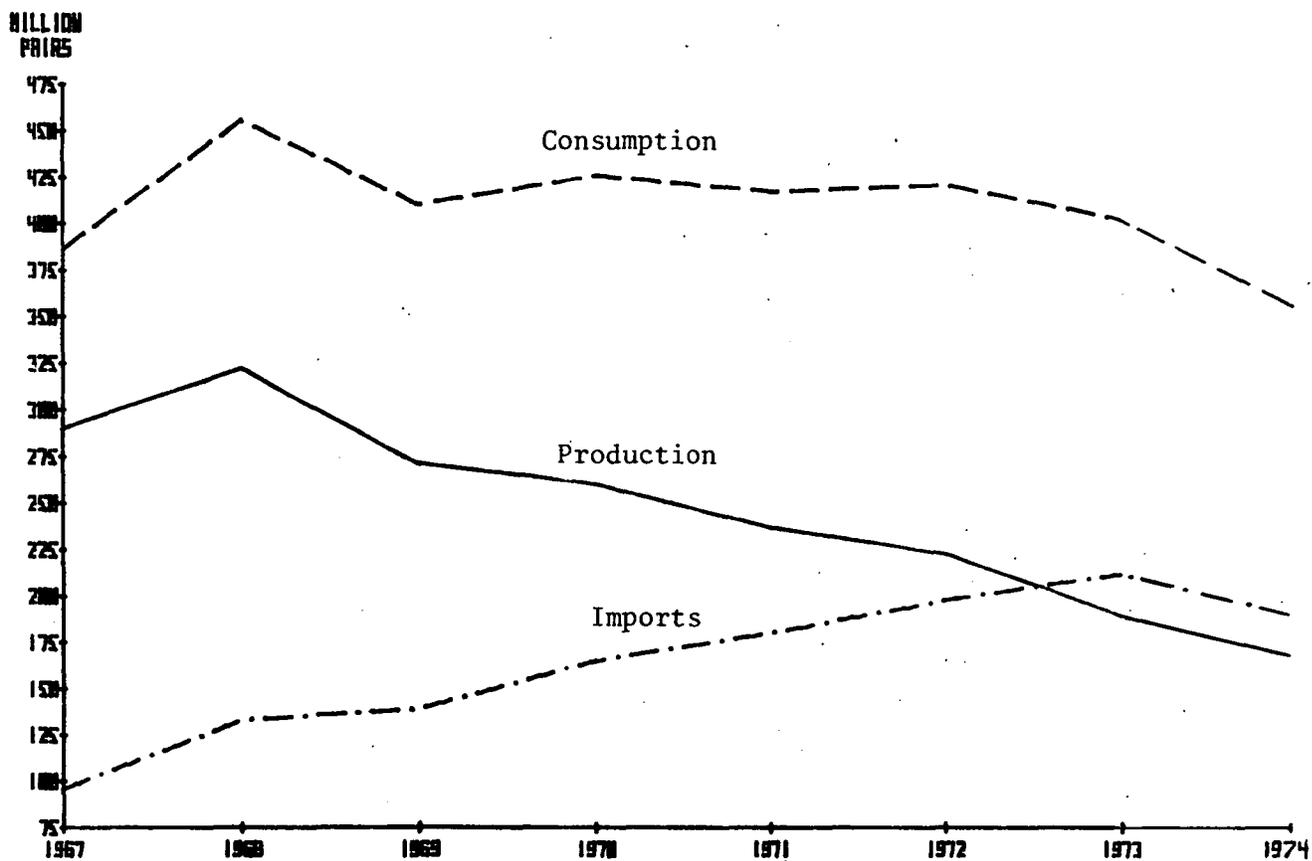
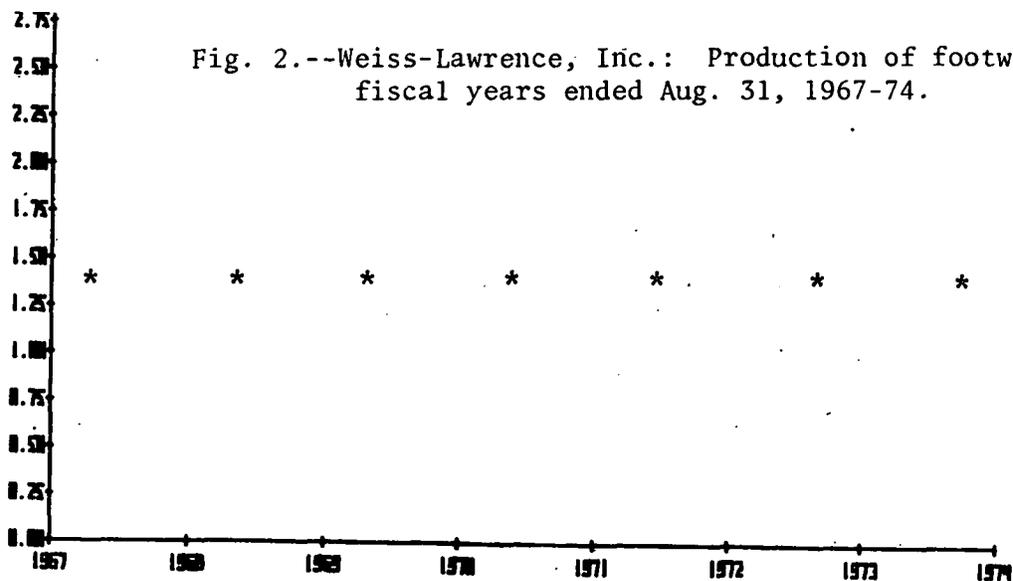


Fig. 2.--Weiss-Lawrence, Inc.: Production of footwear, fiscal years ended Aug. 31, 1967-74.



Source: Table on p. A-9 and data submitted to the International Trade Commission by Weiss-Lawrence, Inc.

## Prices

As indicated earlier in this report, the women's and misses' shoes produced by Weiss-Lawrence retailed from about \$8 to \$16 a pair in 1970-74. As shown in the table on the next page, about 59 percent of domestic production and about 31 percent of imports of women's and misses' non-rubber footwear in 1972 <sup>1/</sup> retailed in the price range of \$6 to \$16, which encompasses the retail price range of Weiss-Lawrence's output.

In fiscal years 1971-74, 95 percent or more of Weiss-Lawrence's production retailed in the price range of \$10 to \$16 (see p. A-21). The data on page A-12 show that in 1972 imports accounted for about 41 percent of apparent U.S. consumption of women's and misses' footwear in that price range.

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<sup>1/</sup> The latest year for which data are available on the distribution of U.S. production of women's and misses' nonrubber footwear, by estimated retail selling price.

Women's and misses' nonrubber footwear: Estimated distribution of U.S. production, imports for consumption, and apparent consumption, by estimated retail selling price, 1972

Estimated retail selling price	Production	Imports	Apparent consumption	Percent of total--		Ratio of imports to consumption
				Production	Imports	
	Million pairs	Million pairs	Million pairs			Percent
\$3.00 or less-----	2.2	65.3	67.5	1	33	97
\$3.01 to \$6.00-----	13.4	45.6	59.0	6	23	77
\$6.01 to \$10.00-----	80.3	25.7	106.0	36	13	24
\$10.01 to \$16.00-----	51.3	35.7	87.0	23	18	41
\$16.01 to \$22.00-----	55.7	15.8	71.5	25	8	22
\$22.01 to \$28.00-----	15.6	5.9	21.5	7	3	27
\$28.01 or more-----	4.5	4.0	8.5	2	2	47
Total-----	223.0	198.0	421.0	100	100	47

Source: Estimated from official statistics of the U.S. Department of Commerce. Estimated distribution of domestic production from U.S. Bureau of the Census, Footwear Production by Manufacturer's Selling Price, 1972. Distribution of imports on basis of entries under TSUSA items 700.4310, 700.4340, 700.4540, and 700.5545 in 1972. Such imports accounted for about 82 percent of total imports of footwear for women and misses in that year.

## U.S. and Foreign Wage Rates

The table on the following page shows the average hourly earnings and the estimated compensation per hour received by shoe workers in eight countries in 1971-73. While of some use in comparing the labor costs of the shoe industries in the various countries listed, the table has several shortcomings that make such comparisons inexact. First, only in the United States, Italy, and Hong Kong is the industry definition limited exclusively to footwear. In the other countries the industry classifications are more encompassing. Second, as footnote 1 to the table indicates, published hourly earnings in the various countries differ in composition. Third, total compensation for workers includes varying factors in the eight countries.

Hourly earnings of production workers and estimated total compensation per hour worked  
in specified industries related to footwear in 8 countries, 1971-73

		(In U.S. dollars)					
Country	Industry	Published average hourly earnings 1/			Estimated compensation per hour worked 2/		
		1971	1972	1973	1971	1972	1973
Brazil-----	Clothing and footwear <u>3/</u> <u>4/</u> ----	\$0.32	\$0.34	\$0.38	\$0.41-\$0.45	\$0.45-\$0.48	\$0.49-\$0.53
Hong Kong-----	Rubber footwear <u>5/</u> -----	.38	.43	.50	.41-.43	.47-.50	.55-.58
Italy-----	Footwear <u>6/</u> -----	.80	.93	1.08	1.49	1.70	2.00
Japan-----	Rubber products, including plastic footwear. <u>7/</u>	1.08	1.57	2.10	1.23	1.78	2.39
Korea-----	Plastic products <u>7/</u> -----	.22	.20	.32	.25-.29	.25-.27	.38-.41
Spain-----	Clothing and footwear <u>3/</u> -----	.42	.53	.70	.59-.64	.74-.80	.99-1.06
Taiwan-----	Plastic products <u>7/</u> -----	<u>8/</u>	<u>9/</u> .19	.26	<u>8/</u>	.22-.23	.30-.32
United States--	Footwear, excluding rubber-----	2.53	2.63	2.72	3.05	3.19	3.32

1/ Published earnings do not represent the same items of labor compensation in each country because of differences in treatment of various supplementary benefits. Earnings generally refer to gross cash payments to wage workers before deductions for taxes and social security and include overtime pay, shift differentials, regular bonuses and premiums, and cost-of-living adjustments. Holiday, vacation, and sick leave pay, bonuses not paid regularly each pay period, and other supplementary benefits are included by some countries and excluded by others. The earnings data are per paid hour for some countries and per hour worked for other countries.

2/ Compensation refers to all payments made by employers directly to their workers before deductions of any kind plus employer contributions to legally required insurance programs and private welfare plans for the benefit of employees. The figures on additional compensation per hour worked as a percentage of published earnings are the best estimates currently available to the Bureau of Labor Statistics.

3/ All employees.

4/ Wage adjustments in Brazil are governed by an official wage formula. The 1972 and 1973 earnings figures are estimates based on the average wage adjustments granted in the total private sector of the economy.

5/ Daily earnings converted to an hourly basis by assuming 9 hours of work per day.

6/ Approximately 15 percent of the workers in the Italian shoe industry are home workers, who are paid at a lower wage rate than the factory workers in the industry.

7/ The shoes shipped from Japan Korea, and Taiwan to the United States are principally of plastics. Approximately half of the workers in the Japanese plastics shoe industry are home workers, who are paid at a lower rate than the factory workers in that industry.

8/ Not available.

9/ July-December 1972.

Source: Based on data provided by the U.S. Bureau of Labor Statistics from the following: Brazil--Industrias de Transformacao, 1971, Department of Industry, Trade and Services Statistics, Brazil; Hong Kong--Annual Departmental Report, 1970-73, Commissioner of Labour, Hong Kong; Italy--Rassegna di Statistiche del Lavoro, various issues, Confederazione General dell'Industria Italiana, Rome; Japan--Year Book of Labour Statistics, various issues, Ministry of Labor, Tokyo; Korea--Monthly Statistics of Korea, various issues, Economic Planning Board, Seoul; Spain--Year Book of Labour Statistics, 1973, International Labour Office, Geneva; and Taiwan--Monthly Bulletin of Labor Statistics, June 1973, Directorate-General of Budget, Accounting, and Statistics, Taipei. Conversion from the currencies of the foreign countries in the table to U.S. dollars was made on the basis of average daily exchange rates.

A-15 through A-41

Data Relating to Weiss-Lawrence, Inc.

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APPENDIX A  
STATISTICAL TABLES

Table 1.--U.S. rates of duty applicable to women's and misses' footwear of the types provided for in specified TSUS items, July 1, 1934, and GATT concessions to Jan. 1, 1972

TSUS item No.	Abbreviated description	Rate of duty	
		July 1, 1934 <sup>1/</sup>	GATT concession <sup>2/</sup>
		Rate	Effective date
		Percent ad val.	Percent ad val.
700.20	Leather footwear: Turn or turned-----	10 <sup>3/</sup>	5 : May 30, 1950-Dec. 31, 1967.
			4 : Jan. 1, 1968-Dec. 31, 1969.
			3 : Jan. 1, 1970-Dec. 31, 1971.
			2.5 : Jan. 1, 1972.
700.43	"Other" (including cement process): Valued not over \$2.50 per pair.	20	19 : Jan. 1-Dec. 31, 1968.
			18 : Jan. 1-Dec. 31, 1969.
			17 : Jan. 1-Dec. 31, 1970.
			16 : Jan. 1-Dec. 31, 1971.
			15 : Jan. 1, 1972
700.45	Valued over \$2.50 per pair--	20	18 : Jan. 1-Dec. 31, 1968.
			16 : Jan. 1-Dec. 31, 1969.
			14 : Jan. 1-Dec. 31, 1970.
			12 : Jan. 1-Dec. 31, 1971.
			10 : Jan. 1, 1972
700.55	Footwear having uppers of supported vinyl.	Princi-	5/ 12.5 : Aug. 31, 1963-Dec. 31, 1967.
		pally :	11 : Jan. 1-Dec. 31, 1968.
		20 <sup>4/</sup> :	10 : Jan. 1-Dec. 31, 1969.
			8.5 : Jan. 1-Dec. 31, 1970.
			7 : Jan. 1-Dec. 31, 1971.
		6 : Jan. 1, 1972.	

<sup>1/</sup> Except as noted, the rate on July 1, 1934, was the same as the original rate in the Tariff Act of 1930, effective June 18, 1930.

<sup>2/</sup> For concessions granted in the Kennedy Round, effective Jan. 1, 1968, the table shows staged rates that became effective up to and including January 1, 1972.

<sup>3/</sup> Effective January 1, 1932, the statutory rate of 20 percent ad valorem was reduced to 10 percent ad valorem, pursuant to sec. 336 of the Tariff Act of 1930.

<sup>4/</sup> Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported vinyl uppers was imported during the 1950's and early 1960's, it was generally dutiable, by virtue of the similitude provisions of par. 1559, at the rate provided for "similar" leather footwear in par. 1530(e). The column 2 rate for item 700.55 is 35 percent.

<sup>5/</sup> The trade-agreement rate established in the TSUS, effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456) to replace the wide range of rates previously applicable to the various types of footwear provided for in this TSUS item.

Note.--Pursuant to Presidential Proclamation No. 4074, effective from Aug. 16 to Dec. 19, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS. On July 8, 1974, the United States Customs Court held that Presidential Proclamation 4074 was invalid (Yoshida International, Inc. vs. United States, Customs Decisions 4550). This ruling has been appealed to the United States Court of Customs and Patent Appeals.

Table 2.--Women's and misses' leather footwear made by the turn or turned process (item 700.20): U.S. rates of duty and imports for consumption, specified years 1939 to 1974

Year	Rate of duty		Quantity
	Percent	ad valorem	1,000 pairs
1939-----	<u>1/</u>	10	5
1946-----		10	4
1955-----	<u>2/</u>	5	10
1956-----		5	97
1957-----		5	209
1958-----		5	434
1959-----		5	402
1960-----		5	664
1961-----		5	882
1962-----		5	1,067
1963-----		5	916
1964-----		5	864
1965-----		5	1,053
1966-----		5	1,106
1967-----		5	1,361
1968-----		4	1,905
1969-----		4	2,459
1970-----		3	2,398
1971-----		3	1,604
1972-----		2.5	1,589
1973-----		2.5	1,178
1974-----		2.5	799

1/ Effective Jan. 1, 1932, the statutory rate of 20 percent ad valorem was reduced to 10 percent pursuant to sec. 336 of the Tariff Act of 1930.

2/ GATT concession, effective May 30, 1950.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.--Women's and misses' leather footwear made principally by the cement process (items 700.43 and 700.45): U.S. rates of duty and imports for consumption, specified years 1939 to 1974

Year	Rate of duty <sup>1/</sup>		Quantity	
	Item	Item	Item	Item
	700.43	700.45	700.43	700.45
	Percent	Percent	Million	Million
	ad valorem	ad valorem	pairs	pairs
1939-----	20		2	
1946-----	20		1	
1955-----	20		1	
1956-----	20		1	
1957-----	20		2	
1958-----	20		9	
1959-----	20		5	
1960-----	20		7	
1961-----	20		9	
1962-----	20		12	
1963-----	20		17	
1964-----	20		19	
1965-----	20		21	
1966-----	20		28	
1967-----	20		38	
1968-----	19	18	34	20
1969-----	18	16	29	27
1970-----	17	14	37	34
1971-----	16	12	33	44
1972-----	15	10	25	61
1973-----	15	10	17	69
1974-----	15	10	11	64

<sup>1/</sup> Statutory rate under par. 1530(e) for 1939 and 1946 through Aug. 30, 1963, and under TSUS item 700.40 for Aug. 31, 1963, through 1967. Effective Jan. 1, 1968, new items 700.41 (sandals of buffalo leather), 700.43, and 700.45 replaced item 700.40. Sandals accounted for a negligible part of the imports in 1967 and earlier years.

Source: Compiled from official statistics of the Department of Commerce and partly estimated.

Table 4.--Women's and misses' footwear with supported-vinyl uppers (TSUS item 700.55): U.S. rates of duty and imports for consumption, 1966-74

Year	Rate of duty	Imports		
		Quantity	Value	Unit value
		<u>1,000</u> <u>Pairs</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>pair</u>
1966-----	12.5	33,239	17,024	\$0.51
1967-----	12.5	49,767	27,704	.56
1968-----	11	68,579	46,603	.68
1969-----	10	70,777	55,820	.79
1970-----	8.5	77,288	73,757	.95
1971-----	7	86,942	104,196	1.20
1972-----	6	89,776	109,915	1.22
1973-----	6	96,942	136,036	1.40
1974-----	6	75,713	135,589	1.79

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Nonrubber footwear for women and misses: U.S. imports, by selected TSUS items, 1968-74

TSUS item No.	1968	1969	1970	1971	1972	1973	1974
Quantity (1,000 pairs)							
700.20-----	1,905	2,459	2,398	1,604	1,589	1,178	799
700.43-----	33,914	28,555	36,728	33,166	25,223	16,691	10,615
700.45-----	19,770	27,219	34,464	44,159	61,474	68,758	63,626
700.55-----	68,579	70,777	77,288	86,942	89,776	96,942	75,713
Total-----	124,168	129,010	150,878	165,871	178,062	183,569	150,753
Value (1,000 dollars)							
700.20-----	11,672	15,283	16,062	9,886	9,361	6,961	4,641
700.43-----	50,997	44,428	59,443	68,630	42,014	29,186	18,829
700.45-----	88,079	132,565	173,597	222,369	305,648	357,794	348,155
700.55-----	46,603	55,820	73,757	104,196	109,915	136,036	135,589
Total-----	197,351	248,096	322,859	405,081	466,938	529,977	507,214
Unit value							
700.20-----	\$6.13	\$6.22	\$6.70	\$6.16	\$5.89	\$5.91	\$5.81
700.43-----	1.50	1.56	1.62	2.07	1.67	1.75	1.77
700.45-----	4.46	4.87	5.04	5.04	4.97	5.20	5.47
700.55-----	.68	.79	.95	1.20	1.22	1.40	1.79
Average-----	1.59	1.92	2.14	2.44	2.62	2.89	3.36

Source: Compiled from official statistics of the U.S. Department of Commerce.

A-48 through A-51

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APPENDIX B  
NEWSPAPER ARTICLES RELATING TO  
WEISS-LAWRENCE, INC.

Faustus Daily Democrat-- Dover,  
N.H., Wednesday, Aug. 14, 1974

Sunday, Aug. 18, 1974

# Weiss-Lawrence To Close Doors

By MARGARET WARNER

DOVER — An owner of the Weiss-Lawrence Shoe Company said this morning his company intends to "phase out" factory operations at its Sixth Street plant within the next week to ten days.

Ted Weiss said the company expects to relocate to its Park Street facility after a "breathing spell" of three or four months.

Weiss attributed the phasing-out to economic hardship suffered by the company in the face of foreign shoe imports and shortages of supplies.

Weiss said the company hopes to resume production at the "more compact Park Street facility if conditions

warrant it.

"It depends on supplies and on whether this country imposes additional tariffs so domestic shoe manufacturers can survive," said Weiss.

He said he was not aware of any specific tariff legislation pending before Congress.

The plant on Sixth Street at one time employed 500 to 600 people, Weiss said. Presently the company has 100 or 150 working there, all to be "phased out" shortly.

The Park Street facility would begin production with 100 or 200 workers, said Weiss, and perhaps grow to employ 300.

Weiss said his company hopes to lease its Sixth Street plant as warehouse space.

## Weiss-Lawrence About To Close?

DOVER — Rumor has it that Weiss-Lawrence Shoe Co. is closing.

Once one of the major shoe factories in the Dover area, employing hundreds of people, the Weiss-Lawrence plant on Sixth Street is now almost empty.

A recent candidate's campaign tour through the plant at mid-morning found only 60 workers scattered over three floors, where space indicates work room for over 300.

Sources said employees at the plant have been told to look around for other work.

A Sixth Street merchant said the number of people coming to work at the plant each morning has dropped drastically in recent months.

That same merchant said the interior of the plant has been allowed to deteriorate.

"You used to be able to eat off the floors in that place," he said. "Now it's a mess."

Charlie Lawrence, co-owner of the plant, refused to answer repeated telephone calls this morning and either substantiate or deny the closing rumor.

Co-owner Ted Weiss was also unavailable for comment.

A Department of Employment Security spokesman said his office was not authorized to disclose how many former Weiss-Lawrence employees had come to that office in search of work.

Boston American--Sunday, Aug. 18, 1974

## Shoe Plants Close in NH

DOVER, N.H. (AP) — The Weiss-Lawrence Shoe Co. has announced it will close its two plants in Dover within the next ten days, one permanently and one temporarily.

Ted Weiss, a co-owner, said the sixth street plant, where fewer than 150 workers are now employed, will remain closed. But he said he plans to resume operations at the Park Street plant within four months.

Weiss said from 100 to 200 workers will initially be employed at the Park Street plant, but he added the number could grow to 300.

The shoe manufacturer blamed foreign imports and a shortage of supplies for the closing of the Sixth Street facility, which at one time had from 500 to 600 workers.

Footwear News--Monday, Sept. 2, 1974

### *Weiss-Lawrence closes two plants*

DOVER, N.H. — Weiss-Lawrence Shoe Co. has closed its two factories here, but may reopen one of them in late November or early December.

The women's and misses' shoe manufacturer finished up production Aug. 23, and laid off its 100 employees. "At present, when retail business is so bad, and with foreign competition, we can't keep production up enough to be profitable," Charles Lawrence, vice-president, told FN.

Lawrence said that the firm

plans to reopen one plant in the late fall to produce a new line for late spring and early fall, and employ initially about 100-150 workers. He would not elaborate on what the new line would be, but said that eventually the firm hopes to reach a level of 300 workers.

At its peak period in 1972, the company employed 625 workers and produced over 10,000 pairs a day. When production ceased last week, the factory employed 100 workers making 1,400 pairs per day.

Weiss-Lawrence filed a Chapter XI petition, Dec. 7, 1973.

APPENDIX C

ARRANGEMENTS SUBMITTED FOR CONFIRMATION BY  
THE BANKRUPTCY COURT

A-56 through A-59

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